

Financial Report
Lafourche Parish Tourist Commission
Raceland, Louisiana
For the Year ended December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/11/10

TABLE OF CONTENTS

Lafourche Parish Tourist Commission

For the Year Ended December 31, 2009

| | <u>Exhibit</u> | <u>Page Number</u> |
|--|-----------------------|-------------------------------|
| Introductory Section | | |
| Title Page | | i |
| Table of Contents | | ii – iii |
| Financial Section | | |
| Independent Auditor's Report | | 1 – 2 |
| Management's Discussion and Analysis | | 3 – 8 |
| Financial Statements: | | |
| Government-wide and Fund Financial Statements: | | |
| Statement of Net Assets and Governmental Fund Balance Sheet | A | 9 |
| Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets | B | 10 |
| Statement of Activities and Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance | C | 11 |
| Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities | D | 12 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | E | 13 |
| Notes to Financial Statements | F | 14 – 24 |

TABLE OF CONTENTS
(Continued)

| | <u>Page Number</u> |
|---|-------------------------------|
| Special Report of Certified Public Accountants | |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> | 25 – 26 |
| Schedule of Findings and Responses | 27 – 28 |
| Report by Management | |
| Schedule of Prior Year Findings and Responses | 29 |
| Management's Corrective Action Plan | 30 |

FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Tourist Commission,
Raceland, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the General Fund of Lafourche Parish Tourist Commission, (the Commission), State of Louisiana, a component unit of Lafourche Parish Council, as of and for the year ended December 31, 2009, which collectively comprise the Commission's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of Lafourche Parish Tourist Commission as of December 31, 2009, and the changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated May 3, 2010 on our consideration of Lafourche Parish Tourist Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 8 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 3, 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Tourist Commission

The Management's Discussion and Analysis of the Lafourche Parish Tourist Commission (the Commission) financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended December 31, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities at the close of fiscal year 2009 by \$1,295,541 (net assets), which represents a 9.59% increase from last fiscal year.

The Commission's revenue increased \$53,932 (or 11.70%) primarily due to the increase in hotel and motel tax revenue.

The Commission's expenses increased \$34,617 (or 9.43%) primarily due to an increase in personal services and other services and charges.

The Commission did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's financial report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements, and (3) special reports by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the Commission:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating. The statement of activities presents information showing how the Commission's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Commission is economic development and assistance.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Commission are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 9-13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Commission's financial position. As of December 31, 2009, assets exceeded liabilities by \$1,295,541. A large portion of the Commission's net assets (27%) reflects its capital assets (e.g., buildings and land improvements; office furniture, fixtures and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Assets

| | December 31, | | Dollar | Total |
|-----------------------------------|---------------------|---------------------|-------------------|---------|
| | 2009 | 2008 | Change | Percent |
| | | | | Change |
| Current and other assets | \$ 965,403 | \$ 843,663 | \$ 121,740 | 14.43% |
| Capital assets | 349,574 | 362,488 | (12,914) | -3.56% |
| Total assets | <u>1,314,977</u> | <u>1,206,151</u> | <u>108,826</u> | 9.02% |
| Current and other liabilities | 9,814 | 23,945 | (14,131) | -59.01% |
| Long-term liabilities outstanding | <u>9,622</u> | <u>-</u> | <u>9,622</u> | 100.00% |
| Total liabilities | <u>19,436</u> | <u>23,945</u> | <u>(4,509)</u> | -18.83% |
| Net Assets: | | | | |
| Invested in capital assets | 349,574 | 362,488 | (12,914) | -3.56% |
| Unrestricted | 945,967 | 819,718 | 126,249 | 15.40% |
| Total net assets | <u>\$ 1,295,541</u> | <u>\$ 1,182,206</u> | <u>\$ 113,335</u> | 9.59% |

Governmental Activities

Governmental activities increased the Commission's net assets by \$113,335. Key elements of this increase are:

Condensed Changes in Net Assets

For the Year Ended

| | December 31, | | Dollar | Total |
|-------------------------------------|---------------------|---------------------|-------------------|---------|
| | 2009 | 2008 | Change | Percent |
| | | | | Change |
| Revenues: | | | | |
| Taxes - hotel/motel | \$ 493,672 | \$ 432,818 | \$ 60,854 | 14.06% |
| Grants-state | 17,079 | 12,940 | 4,139 | 31.99% |
| Miscellaneous | <u>4,220</u> | <u>15,281</u> | <u>(11,061)</u> | -72.38% |
| Total revenues | 514,971 | 461,039 | 53,932 | 11.70% |
| Expenses: | | | | |
| Economic and development assistance | <u>401,636</u> | <u>367,019</u> | <u>34,617</u> | 9.43% |
| Increase in net assets | 113,335 | 94,020 | 19,315 | 20.54% |
| Net assets beginning of year | <u>1,182,206</u> | <u>1,088,186</u> | <u>94,020</u> | 8.64% |
| Net assets end of year | <u>\$ 1,295,541</u> | <u>\$ 1,182,206</u> | <u>\$ 113,335</u> | 9.59% |

The Commission's increase in revenues resulted from an increase in collections of parish hotel/motel taxes. The increase in expenses can be attributed to an increase in personal services and other services and charges.

On Exhibit C, the Tourist Commission's expenses fall into five (5) categories: personal services; supplies and materials; other services and charges; repairs and maintenance; and depreciation. Of the five categories, other services and charges is the largest of the expense categories. Other services and charges, which includes advertising and promotion, seminars, meetings, and publications, is responsible for \$222,654 or fifty-five percent (55%) of total expenses for the year ended December 31, 2009. The next highest expense category is personal services, which includes salaries and payroll taxes. This category is responsible for \$119,030 or thirty percent (30%) of total expenses for the year ended December 31, 2009. The remaining expenses include supplies and materials, repairs and maintenance, and depreciation expense. These expenses accounted for fifteen percent (15%) of total expenses in the year ended December 31, 2009.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Commission's governmental fund, the General Fund, reported an ending fund balance of \$955,589, an increase of \$135,871 in comparison with the prior year, and is available for spending at the Commission's discretion.

General Fund Budgetary Highlights

The 2009 budget was amended during December 2009. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues:

- To adjust the hotel/motel tax to amounts expected from the Parish.
- To adjust the hotel/motel tax to amounts actually received from the State.
- To adjust the Louisiana Department of Culture, Recreation & Tourism Grant revenue to reflect amounts actually received.

Expenditures:

- Increased the amount of advertising expense by \$35,873 to reflect more expenses than originally anticipated.
- Decreased capital outlay by \$32,500 to reflect fewer purchases than originally expected.

- Decreased publications by \$12,000 due to fewer publications than expected.
- Decreased travel expenses by \$9,139 due to less traveling than initially anticipated.

During the year, revenues were less than budgetary estimates, while expenditures exceeded budgetary estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Commission's capital assets for its governmental activities as of December 31, 2009, amounts to \$349,574 (net of accumulated depreciation). This investment in capital assets includes buildings and land improvements, office furniture, fixtures and equipment (see table below):

| | <u>2009</u> | <u>2008</u> |
|---|-------------------|-------------------|
| Building and land improvements | \$ 463,277 | \$ 461,464 |
| Office furniture, fixtures and equipment | <u>82,522</u> | <u>89,374</u> |
| Totals | <u>\$ 545,799</u> | <u>\$ 550,838</u> |

The major capital asset events during the current fiscal year were improvements to the building and roof following hurricane damage.

Additional information on the Commission's capital assets can be found in the Note 4, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The 2010 revenues were budgeted at \$522,200 which is a decrease from the 2009 amended budget. Budgeted revenues were decreased in order to remain conservative with the expected receipts of hotel/motel taxes.
- Budgeted expenditures are expected to increase due to an increase in capital outlay, payroll expenses, publications, and travel expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Lafourche Parish Tourist Commission 4484 Highway 1, Raceland Louisiana, 70394.

**STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET**

Lafourche Parish Tourist Commission

December 31, 2009

| | <u>General</u> | <u>Adjustments (Exhibit B)</u> | <u>Statement of Net Assets</u> |
|---|-----------------------|------------------------------------|------------------------------------|
| Assets | | | |
| Cash | \$ 106,079 | | \$ 106,079 |
| Investments | 823,950 | | 823,950 |
| Due from other governmental units | 35,374 | | 35,374 |
| Fixed assets | - | \$ 349,574 | 349,574 |
| | <u>-</u> | | <u>349,574</u> |
| Total assets | <u>\$ 965,403</u> | <u>349,574</u> | <u>1,314,977</u> |
| Liabilities | | | |
| Accounts payable and accrued expenditures | \$ 9,814 | - | 9,814 |
| Long-term liabilities: | | | |
| Due in more than one year | - | 9,622 | 9,622 |
| | <u>-</u> | <u>9,622</u> | <u>9,622</u> |
| Total liabilities | 9,814 | <u>9,622</u> | <u>19,436</u> |
| Fund Balance/Net Assets | | | |
| Fund balance | | | |
| Unreserved-undesignated | 955,589 | (955,589) | - |
| | <u>955,589</u> | <u>(955,589)</u> | <u>-</u> |
| Total liabilities and fund balance | <u>\$ 965,403</u> | <u>(945,967)</u> | <u>19,436</u> |
| Net assets: | | | |
| Invested in capital assets | | 349,574 | 349,574 |
| Unrestricted | | 945,967 | 945,967 |
| | | <u>945,967</u> | <u>945,967</u> |
| Total net assets | | <u>\$ 1,295,541</u> | <u>\$ 1,295,541</u> |

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

Lafourche Parish Tourist Commission

December 31, 2009

Fund Balance - Governmental Fund **\$ 955,589**

Amounts reported for governmental activities in
the statement of net assets are different because:

Capital assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental fund.

| | | |
|-------------------------------|------------------|---------|
| Governmental capital assets | \$ 545,799 | |
| Less accumulated depreciation | <u>(196,225)</u> | 349,574 |

Long-term liabilities are not due and payable
in the current period and therefore not
reported in the governmental funds

| | |
|------------------------------|----------------|
| Compensated absences payable | <u>(9,622)</u> |
|------------------------------|----------------|

| | |
|--|----------------------------|
| Net Assets of Governmental Activities | <u>\$ 1,295,541</u> |
|--|----------------------------|

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT
OF GOVERNMENTAL FUND REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCE**

Lafourche Parish Tourist Commission

For the year ended December 31, 2009

| | <u>General Fund</u> | <u>Adjustments (Exhibit D)</u> | <u>Statement of Activities</u> |
|--|-------------------------|------------------------------------|--|
| Revenues | | | |
| Taxes - hotel/motel: | | | |
| Parish | \$ 368,672 | | \$ 368,672 |
| State | 125,000 | | 125,000 |
| Grants: | | | |
| State | 17,079 | | 17,079 |
| Miscellaneous: | | | |
| Interest | 4,137 | | 4,137 |
| Other | 83 | | 83 |
| Total revenues | <u>514,971</u> | | <u>514,971</u> |
| Expenditures/Expenses | | | |
| Current: | | | |
| Economic Development and Assistance: | | | |
| Personal services | 109,408 | \$ 9,622 | 119,030 |
| Supplies and materials | 27,522 | - | 27,522 |
| Other services and charges | 222,654 | - | 222,654 |
| Repairs and maintenance | 9,568 | - | 9,568 |
| Depreciation | - | 22,862 | 22,862 |
| Total economic development and assistance | 369,152 | 32,484 | 401,636 |
| Capital outlay | 9,948 | (9,948) | - |
| Total expenditures/expenses | <u>379,100</u> | <u>22,536</u> | <u>401,636</u> |
| Excess of Revenues Over Expenditures | 135,871 | (135,871) | - |
| Change in Net Assets | - | 113,335 | 113,335 |
| Fund Balance/Net Assets | | | |
| Beginning of year | 819,718 | 362,488 | 1,182,206 |
| End of year | <u>\$ 955,589</u> | <u>\$ 339,952</u> | <u>\$ 1,295,541</u> |

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

Lafourche Parish Tourist Commission

For the year ended December 31, 2009

Net Change in Fund Balance - Governmental Fund **\$ 135,871**

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlay as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Capital outlay

\$ 9,948

Depreciation expense

(22,862)

Excess of depreciation expense over capital outlay

(12,914)

Some expenses reported in the statement of activities do not require
the use of current financial resources and, therefore, are not reported
as expenditures in the governmental fund

Increase in compensated absences payable

(9,622)

Change in Net Assets of Governmental Activities

\$ 113,335

See notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

Lafourche Parish Tourist Commission

For the year ended December 31, 2009

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Budgetary Basis</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------------------|-------------------------|----------------------------|---|
| Revenues | | | | |
| Taxes - hotel/motel: | | | | |
| Parish | \$ 320,000 | \$ 421,000 | \$ 398,148 | \$ (22,852) |
| State | 150,000 | 125,000 | 125,000 | - |
| Grant: | | | | |
| State | 20,000 | 9,983 | 9,983 | - |
| Miscellaneous: | | | | |
| Interest | 1,500 | 1,700 | 4,137 | 2,437 |
| Other | 500 | 100 | 83 | (17) |
| Total revenues | <u>492,000</u> | <u>557,783</u> | <u>537,351</u> | <u>(20,432)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Economic Development and Assistance: | | | | |
| Personal services | 98,000 | 99,000 | 109,408 | (10,408) |
| Supplies and materials | 20,000 | 22,000 | 24,486 | (2,486) |
| Other services and charges | 254,700 | 246,575 | 235,773 | 10,802 |
| Repairs and maintenance | 17,000 | 15,525 | 13,875 | 1,650 |
| Total economic development and assistance | 389,700 | 383,100 | 383,542 | (442) |
| Capital Outlay | <u>40,000</u> | <u>7,500</u> | <u>9,948</u> | <u>(2,448)</u> |
| Total expenditures/expenses | <u>429,700</u> | <u>390,600</u> | <u>393,490</u> | <u>(2,890)</u> |
| Excess of Revenues Over Expenditures | <u>\$ 62,300</u> | <u>\$ 167,183</u> | <u>\$ 143,861</u> | <u>\$ (23,322)</u> |

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Lafourche Parish Tourist Commission

December 31, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Lafourche Parish Tourist Commission (the Commission) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The Commission is a component unit of the Lafourche Parish Council, (the Council). The Commission has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

The Commission's financial statements consist of the government-wide statements on all activities of the Commission and the governmental fund financial statements.

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Commission. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (continued)

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on major funds. The daily accounts and operations of the Commission continue to be organized on the basis of a fund and accounts group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the Commission:

General Fund – The General Fund is the operating fund of the Commission. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Hotel/motel sales and use taxes are recognized as revenue in the period they are collected by the merchants.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Hotel/motel sales and use taxes are recognized as revenue in the period they are collected by the merchants. Miscellaneous revenues are recorded as revenues when received in cash by the Commission because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the Commission's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The Commission amended its budget once during 2009. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the GAAP basis and budgetary basis are that revenues are budgeted when received and expenditures are budgeted when paid by the District and are recorded on the modified accrual basis for fund financial statement purposes.

The adjustments necessary to convert the results of operations for the year from the GAAP basis to the budgetary basis for the General Fund are as follows:

| | Excess of Revenues Over Expenditures |
|---|--|
| GAAP basis (as reported) | \$ 135,871 |
| Adjustments: | |
| Revenues: | |
| Net effect of accrual of due from other governmental units | 22,380 |
| Expenditures: | |
| Net effect of accrual of accounts payable | (14,390) |
| Budgetary Basis | <u>\$ 143,861</u> |

f) Accounts Receivable

The financial statements for the Commission contain no allowance for uncollectible accounts. Uncollectible amounts due for hotel/motel sales and use taxes other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments

Investments consist of certificates of deposit and deposits in the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to complete share prices if certain conditions are not met. Certificates of deposit are stated at cost and approximate market value.

h) Capital Assets

The accounting treatment over plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|--|--------------|
| Buildings and land improvements | 5 – 50 years |
| Office furniture, fixtures and equipment | 5 – 25 years |

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Vacation and Sick Leave

Accumulated vacation and sick leave is recorded as an expenditure of the period in which paid in the Governmental Funds.

Annual vacation and sick leave credits are cumulative; all unused annual vacation and sick leave shall be carried forward from calendar year to calendar year up to a maximum of 210 hours of vacation leave and 210 hours of sick leave. It is the policy of the commission to pay terminated employees for any unused vacation up to the maximum stated above.

The liability for vacation and sick leave is recorded as a non-current liability in the government-wide statements.

j) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. At December 31, 2009, the Commission did not have outstanding debt.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2009, and for the year then ended, the Commission did not have or receive restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts, and investment grade (A-1/P-2) commercial paper of domestic corporations.

Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

| | Bank Balances | Reported Amount |
|-------------------------|-------------------|--------------------|
| Cash | \$ 336,839 | \$ 105,879 |
| Investments: | | |
| Certificates of Deposit | - | 225,000 |
| Total | <u>\$ 336,839</u> | <u>\$ 330,879</u> |

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of December 31, 2009, \$86,839 of the Commission's bank balance of \$336,839 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Commission's name.

At December 31, 2009, deposits were adequately collateralized by securities held by an unaffiliated bank for the account of the Commission. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments:

State statutes authorize the Commission to invest in obligations of the U.S. Treasury agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the Board's investment policy emphasized maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission's investment policy requires the application of the prudent-person rule. *This policy states, investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income be derived. Primary emphasis shall be placed upon the safety of principal secondly to maintain liquidity to meet operating requirements and finally do obtain the most favorable rate of return...* The Commission's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAM.

For an investment, custodial credit risk is that risk that, in the event of failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued as amortized cost. The fair value of

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP at December 31, 2009, amounted to \$598,950 and are classified on the Statement of Net Assets as "Investments".

A reconciliation of deposits and investments as shown on the Statement of Net Asset is as follows:

| | |
|---------------------------------------|------------------------------|
| Cash on hand | \$ 200 |
| Reported amounts of deposits | 330,879 |
| Reported amount of investments - LAMP | <u>598,950</u> |
| Total | <u><u>\$ 930,029</u></u> |
| Cash | \$ 106,079 |
| Investments | <u>823,950</u> |
| Total | <u><u>\$ 930,029</u></u> |

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2009 for parish hotel/motel taxes and the Louisiana Department of Culture, Recreation, & Tourism Grant are as follows:

| | |
|-------------------------------|-----------------------------|
| Lafourche Parish School Board | \$ 28,278 |
| State of Louisiana | <u>7,096</u> |
| Total | <u><u>\$ 35,374</u></u> |

Note 4 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

| | Balance January 1, 2009 | Additions | Deletions | Balance December 31, 2009 |
|---|-------------------------------|--------------------|--------------------|---------------------------------|
| Capital assets: | | | | |
| Buildings and land improvements | \$ 461,464 | \$ 1,813 | | \$ 463,277 |
| Office furniture, fixtures and equipment | <u>89,374</u> | <u>8,135</u> | <u>\$ (14,987)</u> | <u>82,522</u> |
| Total capital assets being depreciated | <u>550,838</u> | <u>9,948</u> | <u>(14,987)</u> | <u>545,799</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and land improvements | (133,971) | (12,648) | - | (146,619) |
| Office furniture, fixtures and equipment | <u>(54,379)</u> | <u>(10,214)</u> | <u>14,987</u> | <u>(49,606)</u> |
| Total accumulated depreciation | <u>(188,350)</u> | <u>(22,862)</u> | <u>14,987</u> | <u>(196,225)</u> |
| Total capital assets, net | <u>\$ 362,488</u> | <u>\$ (12,914)</u> | <u>\$ -</u> | <u>\$ 349,574</u> |

Note 5 - LONG-TERM LIABILITIES

Long-term liabilities consist entirely of accumulated unpaid annual leave due after one year. For the year ended December 31, 2009, the Commission recognized \$9,622 of unpaid annual leave expense and did not make any pay outs of the long-term liability.

Note 6 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 7 - COMMITMENTS

On April 29, 2009, the Commission entered into a three year operating lease agreement for office equipment. The lease terms provide for monthly rental payments of \$272. Rental expenses for the operating lease for the year ended December 31, 2009 totaled \$1,904.

Future minimum lease payments under the outstanding lease at December 31, 2009 are as follows:

| <u>Year ending December 31</u> | <u>Amount</u> |
|--------------------------------|-----------------|
| 2010 | \$ 3,264 |
| 2011 | 3,264 |
| 2012 | <u>1,360</u> |
| Total | <u>\$ 7,888</u> |

Note 8 - COMPENSATION OF BOARD MEMBERS

As set forth in the Commission's by-laws, the Board serves without compensation.

Note 9 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 3, 2010, which is the date the financial statements were available to be issued.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners,
Lafourche Parish Tourist Commission,
Raceland, Louisiana.

We have audited the financial statements of the governmental activities and each major of Lafourche Parish Tourist Commission (the Commission), a component unit of Lafourche Parish Council, as of and for the year ended December 31, 2009, which collectively comprise, the Commission's financial statements and have issued our report thereon dated May 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses, as 09-01, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Commission's responses and, accordingly, we express no opinion on it.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than theses specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 3, 2010.

SCHEDULE OF FINDINGS AND RESPONSES

Lafourche Parish Tourist Commission

For the year ended December 31, 2009

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness (es) identified? ☐ yes ☒ no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

b) Federal Awards

Lafourche Parish Tourist Commission did not expend federal awards during the year ended December 31, 2009.

Section II Financial Statement Findings

Internal Control

09-01 Criteria- Effective internal controls requires that an entity have staffing with the technical expertise, knowledge, and available time to prepare financial statements and all disclosures in accordance with generally accepted accounting principles as part of its control process.

Condition- Management lacks the qualifications necessary to prepare financial statements and all disclosures in accordance with generally accepted accounting principles. Possessing suitable skills, knowledge, and experience to oversee services an auditor provides in assisting with financial statements presentation requires a lower level of technical knowledge that the expertise required to prepare the statement and all disclosures.

SCHEDULE OF FINDINGS AND RESPONSES

(Continued)

Lafourche Parish Tourist Commission

For the year ended December 31, 2009

Section II Financial Statement Findings (Continued)

Internal Control (continued)

Effect- Lafourche Parish Tourist Commission has a recognized deficiency in its internal control.

Cause- Lafourche Parish Tourist Commission has not determined a need for staff possessing the required technical expertise.

Recommendation- We recommend that Lafourche Parish Tourist Commission consider the need to having personnel with technical expertise and knowledge to prepare financial statements and disclosures in accordance with generally accepted accounting principles.

Views of Responsible Officials of the Auditee- When There is a Disagreement With the Finding, to the External Protocol- None

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Tourist Commission

For the year ended December 31, 2009

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

08-01 Recommendation- We recommend the Commission consider the need for having personnel with the technical expertise and knowledge to prepare financial statements and all disclosures in accordance with generally accepted accounting procedures.

Management's Response- Management does not consider the benefit of this recommended improvement to outweigh the cost of implementation. Unresolved. See current year finding 09-01.

Compliance

08-02 Recommendation – We recommend the Commission prepare a budget and an amended budget in a timely manner as prescribed by law.

Management's Response – The Commission did not have a December 2008 meeting due to a lack of board members. Therefore, the budget and amended budget were unable to be adopted in a timely manner. Resolved.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Tourist Commission did not expend federal awards during the year ended December 31, 2008.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2008.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Tourist Commission

For the year ended December 31, 2009

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

09-01 Recommendation – We recommend the Commission consider the need for having personnel with the technical expertise and knowledge to prepare financial statements and all disclosures in accordance with generally accepted accounting procedures.

Management's Response – Management does not consider the benefit of this recommended improvement to outweigh the cost of implementation.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2009.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Tourist Commission did not expend federal awards during the year ended December 31, 2009.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2009.